



November 11, 2005

Mr. David Athey
Central Coast Regional Water Quality Control Board
895 Aerovista Place, Suite 101
San Luis Obispo, CA 93401

Subject: Drilling Status – Week Ending November 11, 2005

Dear Mr. Athey:

Please find enclosed a weekly status of the drilling program for the week ending November 11, 2005 as requested in your letter dated April 6, 2005, approving our Llagas Subbasin Monitoring Well Installation Work Plan (Work Plan). Drilling activities and well installation occurred with two Rotasonic drilling rigs owned and operated by Prosonic Corporation with oversight by a MACTEC Engineering and Consulting, Inc. (MACTEC) California-professional geologist.

Rig Number One encountered a delay in installing the CMT well materials into the MP-26 borehole on Thursday, November 3, 2005, when the factory manufactured 300-foot roll of CMT casing was measured to be only 290-feet in length. Replacement material was ordered and the SCVWD inspection for the grout placement was rescheduled accordingly. The well materials arrived on Saturday, the well was fabricated and installed by Tuesday, followed by the SCVWD grout inspection on the morning of Wednesday, November 9, 2005. Rig Number One installed the surface completions for wells MW-26 and MP-26, decontaminated the rig, and mobilized to proposed monitoring well MW-29 location on Thursday, November 10, 2005, upon which time they began their regularly scheduled four-day break. Drilling will begin at proposed well MW-29 upon the crew's return to work on Tuesday, November 15, 2005.

Rig Number Two began fabrication and construction of CMT well MP-35 on Thursday, November 3, 2005. Installation was complete and the sanitary seal was placed under the observation of the SCVWD inspector on Monday morning, November 7, 2005. Rig Number Two subsequently installed the surface completions for wells MW-35 and MP-35, demobilized from the location, decontaminated drilling equipment, and mobilized to the proposed well MW-51 location. Drilling of proposed well MW-51 began on Tuesday, November 8, 2005. Rig Number Two drilled from the ground surface to 110 feet on Tuesday, from 110 to 177 feet on Wednesday, and from 177 to 237 feet on Thursday, November 10, 2005, at which point they broke for their regularly scheduled days off.

To date, the CMT and single-screen or nested pair monitoring wells at MW-16, MW-17, MW-21, MW-26, MW-35, MW-40, and MW-44 have been completed (approximately 90 percent of drilling program), which is consistent with the projected schedule (attached). As defined in the Piezometer Installation and Destruction Work Plan, 90 working days from Work Plan approval were projected for monitoring well installation using two drilling rigs. Our evaluation of the impact of delays associated with unscheduled rig maintenance has led to a revised projected schedule date for drilling completion of December 9, 2005. Development and surveying tasks will continue the week thereafter.

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If you have any questions regarding the status of our drilling program, please do not hesitate to contact Richard W. McClure at your earliest convenience.

Sincerely,

MACTEC Engineering and Consulting, Inc.

Michael Taraszki by eak with permission

Michael Taraszki, P.G., C.Hg.

Principal Hydrogeologist

Donald Smallbeck

Donald Smallbeck

Project Manager

MT/DS

cc: Mr. Eric Gobler, RWQCB – Central Coast Region
Mr. Richard W. McClure, Olin

Llagas Subbasin Characterization Drilling Program Schedule
Olin/Standard Fusee Site
Morgan Hill, California

